## **Technical Focus**

Wednesday, 09 Nov, 2022



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### **Poh Huat Resources Holdings Bhd**

#### Strengthening of USD is a boon

- Operates at a production space of 3.5m sqf in both Malaysia and Vietnam with products sold to over 60 countries in 5 continents across the globe.
- Upward revision in selling prices since January 2022 and the stronger USD against ringgit may keep margins intact over the foreseeable future.
- Demand may remain solid as demonstrated in 7M22, whereby Malaysia's furniture export expanded 18.1% YoY to RM8.50bn.
- Technically, traders may anticipate for a potential breakout above RM1.38 to target the next resistances at RM1.44-RM1.47 with long term target at RM1.57.

#### **POHUAT daily: Monitor for breakout**



#### **Trading Catalyst**

- Poh Huat Resources Bhd (Poh Huat) operates at a production space in excess of 3.5m sqf in both Malaysia (1.5m sqf) and Vietnam (2.0m sqf), supported by approximately 6,500 staff force within the group. Poh Huat products are marketed under the brand name of AT Office System and AT Home System and sold to over 60 countries in 5 continents across the globe.
- Back in 3QFY22, the improvement in production activities were driven by sustained orders from its customers in North America. Meanwhile, the upward revision in selling prices since January 2022 and the stronger USD against ringgit may keep margins intact over the foreseeable future.
- We reckon that demand may remain solid as demonstrated in 7M22, whereby Malaysia's furniture export expanded 18.1% YoY to RM8.50bn. At current share price of RM1.36, prospective dividends are fairly attractive at 5.4-5.9% for FY22f and FY23f, respectively.

POH HUAT RESOUCRES HOLDINGS BHD		
Last Price (RM)	1.37	
5 Day Change (%)	0.7	
1 Day Range Percentile (%)	100.0	
5 Day Range Percentile (%)	33.3	
52Week Range Percentile (%)	31.0	
Volatility 30D	16.0	
EMA9, EMA20, EMA60 Trend	Uptrend	
Price vs. EMA20 (%)	0.9	
DMI DI+	27.4	
DMI DI-	13.8	
ADX	21.2	
Price Skew	UP	
RSI 14D	58.8	
RSI OB/OS	Positive	
Price vs. Bollinger Band (%)	80.6	

#### Financial snapshot

FYE Oct	FY21	FY22f	FY23f
Revenue	554.7	726.8	678.0
(RM m)			
Net profit	32.2	72.7	56.6
(RM m)			
Shares (m)	265.0	265.0	265.0
EPS (sen)	12.2	27.4	21.4
DPS (sen)	1.0	8.1	7.4
P/E (x)	11.3	5.0	6.4
DY (%)	0.7	5.9	5.4
Bloomberg			

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#### **Technical Outlook**

Technically, share price has found some stability since July 2022, before staging a
mild recovery. Price has subsequently pullback before forming a short-term higher
low formation. For now, traders may anticipate for a potential breakout above
RM1.38 to target the next resistances at RM1.44-RM1.47 with long term target at
RM1.57. Support is pegged at RM1.32 and cut loss is located at RM1.31.

Glossary	
Last Price (RM)	Last closing price
5 Day Change (%)	Percent change in price over the last five days. The formula is: [(Last Trade - Closing Price Five Days Ago) / Closing Price Five Days Ago] x 100.
1 Day Range Percentile (%)	Calculates the percentile value within the 1-day range
5 Day Range Percentile (%)	Calculates the percentile value within the 5-day range
52 Week Range Percentile (%)	Calculates the percentile value within the 52-week range
Volatility 30D	A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. The 30-day price volatility equals the annualised standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage. If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the
EMA9, EMA20, EMA60 Trend	EMA9 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation.
Price vs. EMA20 (%)	Position of the price away from the EMA20 level
DMI DI+	Positive directional movement.
DMI DI-	Negative directional movement.
ADX	ADX is a moving average of the directional movement index.
Price Skew	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up. If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.
RSI 14D	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition.
RSI OB/OS	If RSI 14 days is greater or equal to 70, it will be stated Overbought. If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive. If the RSI 14 days is greater than 30, but lower than 50, it will be stated Negative. If the RSI 14 days is lower or equal to 30, it will be stated Oversold.
Price vs. Bollinger Band (%)	Position of the price compare to the Bollinger band in percentage

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